

STATE OF HAWAII
STATE PROCUREMENT OFFICE
HONOLULU, HAWAII

Legal Ad Date: April 17, 1998

INVITATION FOR BIDS
NO. IFB-98-159-O

SEALED BIDS
FOR
FURNISHING
REFUSE COLLECTION SERVICE
FOR
OAHU COMMUNITY CORRECTIONAL CENTER
AND HALAWA CORRECTIONAL FACILITY
DEPARTMENT OF PUBLIC SAFETY

will be received up to and opened at 2:00 p.m. (HST)

on

May 5, 1998

in the State Procurement Office, Kalanimoku Building, 1151 Punchbowl
Street, Room 416, Honolulu, Hawaii 96813.

Questions relating to this solicitation may be directed to Mrs.
Corinne Higa, telephone (808) 568-0568, facsimile (808) 586-0570.

ROBERT J. GOVERNS, CPPB
Procurement Officer

WAGE CERTIFICATE

(For Service Contracts)

Subject: IFB/RFP No.: _____

Title of IFB/RFP: _____

(To be completed by offeror)

Pursuant to Section 103-55, Hawaii Revised Statutes (HRS), I hereby certify that if awarded the contract in excess of \$5,000, the services to be performed will be performed under the following conditions:

1. The services to be rendered shall be performed by employees paid at wages or salaries not less than the wages paid to public officers and employees for similar work; and
2. All applicable laws of the federal and state governments relating to workers' compensation, unemployment compensation, payment of wages, and safety will be fully complied with.

I understand that failure to comply with the above conditions during the period of the contract shall result in cancellation of the contract, unless such noncompliance is corrected within a reasonable period as determined by the procurement officer. Payment in the final settlement of the contract or the release of bonds, if applicable, or both shall not be made unless the procurement officer has determined that the noncompliance has been corrected; and

I further understand that all payments required by Federal and State laws to be made by employers for the benefit of their employees are to be paid in addition to the base wage required by section 103-55, HRS.

Offeror _____

Signature _____

Title _____

Date _____

06/03/96

REFUSE COLLECTION SERVICE
OAHU COMMUNITY CORRECTIONAL CENTER
AND HALAWA CORRECTIONAL FACILITY
DEPARTMENT OF PUBLIC SAFETY
IFB-98-159-O

Procurement Officer
State Procurement Office
State of Hawaii
Honolulu, Hawaii 96813

Dear Sir:

The undersigned has carefully read and understands the terms and conditions specified in the Specifications and Special Provisions attached hereto, and in the General Terms and Conditions dated September 1, 1995 by reference made a part hereof and available upon request; and hereby submits the following offer to perform the work specified herein, all in accordance with the true intent and meaning thereof.

The undersigned further understands and agrees that by submitting this offer, 1) he/she is declaring his/her offer is not in violation of Chapter 84, Hawaii Revised Statutes, concerning prohibited State contracts, and 2) he/she is certifying that the price(s) submitted was (were) independently arrived at without collusion.

Date: _____

Respectfully submitted,

Telephone No.: _____

Fax No.: _____

Exact Legal Name of Offeror

Payment address, if other than
street address at right:

Authorized Signature (Original)

Title

Hawaii General Excise Tax Lic.
I.D. No.: _____

Street Address

Social Sec. or Federal I.D. No.: _____

City, State, Zip Code

If offeror shown above is a "dba" or a "division" of a corporation, furnish the exact legal name of the corporation under which the contract, if awarded, will be executed:

Offeror is: ___ Individual ___ Partnership ___ Corporation ___ Joint Venture

State of incorporation: Hawaii _____ *Other _____

*If "other", is corporate seal available in Hawaii? ___ Yes ___ No

The following offer is hereby submitted for Refuse Collection Service for Oahu Community Correctional Center (OCCC) and Halawa Correctional Facility (HCF), as specified herein:

<u>Item No.</u>	<u>Description</u>	<u>Maximum Refuse Per Week</u>	<u>Unit Bid Price</u>	<u>No. of Weeks</u>	<u>Total Bid Price</u>
1.	<u>Year 1</u>				
a.	OCCC				
	(1) Containers	204 c.y.	\$_____/c.y.	52	\$_____
	(2) Compactor	2 loads	_____/load	52	_____
b.	HCF				
	(1) Compactor	2 loads	_____/load	52	_____
	Subtotal - Year 1: \$_____				
2.	<u>Year 2*</u>				
a.	OCCC				
	(1) Containers	204 c.y.	\$_____/c.y.	52	\$_____
	(2) Compactor	2 loads	_____/load	52	_____
b.	HCF				
	(1) Compactor	2 loads	_____/load	52	_____
	Subtotal - Year 2: \$_____				
3.	<u>Year 3*</u>				
a.	OCCC				
	(1) Containers	204 c.y.	\$_____/c.y.	52	\$_____
	(2) Compactor	2 loads	_____/load	52	_____
b.	HCF				
	(1) Compactor	2 loads	_____/load	52	_____
	Subtotal - Year 3: \$_____				
4.	<u>Year 4*</u>				
a.	OCCC				
	(1) Containers	204 c.y.	\$_____/c.y.	52	\$_____
	(2) Compactor	2 loads	_____/load	52	_____
b.	HCF				
	(1) Compactor	2 loads	_____/load	52	_____
	Subtotal - Year 4: \$_____				
	<u>EVALUATED TOTAL SUM BID**:</u> \$_____				

*Years 2, 3, and 4 are optional extension periods based on mutual agreement between the State and Contractor.

**Evaluated Total Sum Bid is used to find the lowest bid for a possible four year contract; however, award will be made for Year 1 only. Years 2, 3, and 4 are optional extension periods.

Offeror _____

Percentage of bid price per cubic yard/load representing labor costs:
_____ %

Are services to be rendered by company employees similar or equal to public officers and employees listed in the attached employee classification descriptions?

Yes _____ No _____

If yes, list similar positions: _____

City and County of Honolulu Refuse Collection License No. _____

Permanent Office Address: _____

Telephone No. _____ (Answering service is not acceptable)

Insurance coverage is carried by: (where applicable)

	<u>Carrier</u>	<u>Policy No.</u>	<u>Agent</u>
Commercial General Liability:	_____	_____	_____
Automobile Liability	_____	_____	_____
Workers' Compensation	_____	_____	_____
Temporary Disability	_____	_____	_____
Prepaid Health Care	_____		

Unemployment Insurance: State of Hawaii Labor No. _____

Names and addresses of companies or government agencies for which offeror has provided or is currently providing refuse collection service:

<u>Name</u>	<u>Contact Person</u>	<u>Telephone</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

SPECIFICATIONS

SCOPE

Contractor shall provide refuse collection and disposal service for Oahu Community Correctional Center (OCCC) and Halawa Correctional Facility (HCF), Department of Public Safety. Services shall include all labor, transportation, equipment, and refuse containers necessary to collect and dispose of refuse in accordance with the specifications, special provisions and general terms and conditions.

CONTAINERS (OCCC)

Containers. Contractor shall provide a total of eight (8) six-cubic yard capacity refuse containers. The State reserves the right to increase or decrease the number of containers when necessary. Container locations at the facility will be determined by the Contract Administrator.

Containers shall be uniformly painted and of metal construction with casters and covers that can easily open and close. Requests for substitution may be approved, and such approval will be made in writing by the Contract Administrator.

Contractor shall maintain an ample supply of spare containers to serve as replacements or additions, if requested by the State.

If Contractor who is awarded this contract is other than the Contractor currently providing the service, all refuse containers must be delivered to the site location on or before June 30, 1998, to prevent any interruption of service to the facility.

COMPACTORS (OCCC and HCF)

Contractor shall furnish, install and supply two (2) self-contained roll-on roll-off refuse compactors and all materials and components necessary to accommodate said compactors for this contract. One 34-cubic yard compactor shall be located at OCCC, and one 43-cubic yard compactor shall be located at HCF. Each compactor shall be equipped with a locking security door.

Compactor shall be liquid tight, made of high density materials, and in accordance with all applicable standards as set forth by the Occupational Safety and Health Administration (OSHA), National Solid Waste Management Association, American National Standards for Industry and the Waste Equipment Manufacturing Institute.

COLLECTION SCHEDULE

Collections will be made in accordance with the schedule listed below. Changes in days designated for collection and disposal service may be made, provided written approval is granted by the Contract Administrator.

OCCC

1.	Annex I/Annex II	Daily Monday thru Friday	Four (4) containers
2.	Module 5	Daily Monday thru Friday	Two (2) containers
3.	Module 20	Tuesday and Saturday	One (1) container
4.	Laumaka Conditional Release Center (647 Laumaka St., Honolulu)	Tuesday and Saturday	One (1) container
5.	Kitchen	Tuesday and Friday	One (1) compactor

HCF	Monday and Thursday	One (1) compactor
-----	---------------------	-------------------

Contractor shall schedule pickup time such that pickups are done at approximately the same time of day consistently throughout the contract. Contractor shall adhere to the schedule as approved. Hours of collection at OCCC shall be between 5 a.m. and 3:30 p.m., Monday through Friday. Hours of collection on Saturday shall be as mutually agreed upon between the Contractor and the Contract Administrator.

For scheduled pickup days falling on a State holiday, Contractor may make pickup(s) on the day before or day after the scheduled collection(s). Contractor shall contact the Contract Administrator to arrange for a mutually acceptable day.

If for any reason collection is not made as scheduled, Contractor shall be given twenty-four (24) hours to "make-up" the collection; such "make-up" collection shall be coordinated with the Contract Administrator and shall be made at no additional cost to the State and no penalty to the Contractor. The State will not pay for any missed collection which Contractor fails to "make-up" within the allowed twenty-four (24) hour period. In addition, Contractor shall be subject to a penalty of Ten Dollars (\$10.00) per container for each scheduled pickup Contractor fails to "make-up" within the allotted twenty-four (24) hour period.

CONTAINER/COMPACTOR MAINTENANCE

Containers (OCCC). Contractor shall keep containers in good repair and appearance at Contractor's own expense. Equipment and materials needed to perform required maintenance shall be furnished by the Contractor. Any container deemed by the Contract Administrator to be undesirable shall be replaced with an acceptable container on or before the next scheduled pickup.

Contractor shall hose down and deodorize any container that is found to be soiled with wet rubbish or food refuse. Cleaning of container shall not be done on facility grounds. Every fourth week, Contractor shall clean each container to the complete satisfaction of the Contract Administrator.

Contractor shall oil movable parts (hinges, casters, etc.) as needed. All equipment, water and materials needed to perform any required maintenance shall be furnished by the Contractor.

In the event Contractor fails to maintain the containers as required and the Contract Administrator notifies Contractor of his failure to keep the container in good repair and appearance, Contractor shall replace the deficient container with a container acceptable to the Contract Administrator within seven (7) calendar days of notification. Contractor shall respond within seven (7) working days after notification of an undesirable container by reporting to the Contract Administrator of the action taken to correct the deficiency.

Repeated failure of Contractor to correct container deficiencies on a timely basis, or to respond to the Contract Administrator within seven (7) calendar days, in writing, of the action taken to correct the deficiencies, shall be deemed sufficient cause for assessing a penalty of Ten Dollars (\$10.00) per day per container and cause for contract termination.

Contractor will not be responsible for the condition of any container that has been maliciously burned.

Compactors (OCCC and HCF). Contractor shall provide all necessary maintenance and repairs to the compactor and all related components for the duration of the contract. Contractor shall thoroughly steam clean the interior after every pickup.

Emergency repair service shall be provided within one hour after Contractor is notified of a malfunction.

Contractor will not be responsible for any damages maliciously caused.

EQUIPMENT

Vehicles and equipment used by the Contractor to collect and remove the refuse shall be clean and well-maintained, both mechanically and in appearance. All equipment used to collect and remove refuse shall be covered to prevent littering.

DISPOSAL

Contractor shall dispose of all refuse collected by transporting to disposal sites that meet the requirements of local ordinances and regulations applicable to refuse disposal.

EMERGENCY PICKUPS

Contractor agrees to make unscheduled collections, when requested. Such "emergency calls" shall be completed within twenty-four (24) hours after notification. Bid price per cubic yard/load will be used as the basis for charges for "emergency calls", provided such charges are modified by mutual agreement at the time of the emergency to account for additional expenses, if any, incident to making a special pickup.

SECURITY

Due to the location of the pickup points at OCCC, Contractor must be escorted onto the facility. Vehicle and equipment will be inspected to insure that contraband is not brought onto the facility. Introduction of any contraband on the facility will be cause for immediate termination of the contract.

SPECIAL PROVISIONS

SCOPE

Work included in this agreement shall consist of furnishing refuse collection for the Department of Public Safety, Oahu Community Correctional Center (OCCC) and Halawa Correctional Facility (HCF), all in accordance with these Special Provisions, Specifications, and General Terms and Conditions, dated September 1, 1995, and included by reference. Copies of the General Terms and Conditions are available at the State Procurement Office, Room 416, 1115 Punchbowl Street, Honolulu, Hawaii 96813 and on the Internet at <http://www.state.hi.us>.

CONTRACT ADMINISTRATOR

For purposes of this contract, the Facility Operations Administrator of OCCC (telephone 848-2591) and the Operations Superintendent at HCF (telephone 486-2600), acting either directly or through their authorized representatives are the designated Contract Administrators.

TERM OF CONTRACT

Contractor shall enter into a contract for furnishing refuse collection service for a twelve (12) month period July 1, 1998 to June 30, 1999.

Unless terminated, the contract shall be extended for not more than three (3) additional twelve-month periods without the necessity of rebidding, upon mutual agreement in writing, at least sixty (60) days prior to expiration, provided the bid price per cubic yard/load remains the same or as adjusted in accordance with the price adjustment provisions below and/or by State initiated contract modifications.

The Contractor or the State may terminate the extended contract at any time upon sixty (60) days prior written notice.

OFFEROR QUALIFICATION

Contractor shall have a permanent office location from where he conducts business and where he will be accessible to telephone calls for complaints or requests that need immediate attention. An answering service is not acceptable. Offeror's permanent office location shall be stated on Offer Form, page OF-2.

OFFER PREPARATION

Offer Form, Page OF-1. Offeror is requested to submit its offer using offeror's exact legal name as registered with the Department of Commerce and Consumer Affairs, if applicable; and to indicate exact legal name in the appropriate space on Offer Form, page OF-1. Failure to do so may delay proper execution of the contract.

Offeror's authorized signature shall be an original signature in ink. If Offer Form, page OF-1, is unsigned or the affixed signature is a facsimile or a photocopy, the offer shall be automatically rejected unless accompanied by other material, containing an original signature, indicating the offeror's intent to be bound.

Tax Liability. Work to be performed under this solicitation is a business activity taxable under Chapter 237, Hawaii Revised Statutes (HRS), and vendors are advised that they are liable for the Hawaii General Excise tax (GET) at the current 4% rate. If, however, an offeror is a person exempt by the HRS from paying the GET and therefore not liable for the taxes on this solicitation, offeror shall state its tax exempt status and cite the HRS chapter or section allowing the exemption.

Tax Equalization Provision. For evaluation purposes, pursuant to Section 103-53.5, HRS, as amended, the price offer submitted by an offeror not liable for the GET under this solicitation, shall be increased by the current rate of the GET. Under no circumstance shall the dollar amount of the award include the aforementioned adjustment.

Bid Price. Bid price shall include labor, equipment, transportation, all applicable taxes and any other costs incurred to provide services specified. Bid price per cubic yard/load shall be applicable to additional service as requested by the State.

Labor Costs. Offeror must indicate on Offer Form, OF-2, the percentage of his bid price per cubic yard/load that represents labor costs, if applicable. Such information will be used by the State to calculate price adjustments.

Tax Clearance. An **original or certified copy** of a tax clearance certificate issued by the Hawaii State Department of Taxation (DOTAX) and the Internal Revenue Service (IRS) must be submitted with offeror's sealed offer by the due date and time.

The tax clearances from DOTAX and IRS shall be obtained on the attached one-page, two-sided **Tax Clearance Application (Form A-6, Rev.1998)** which is accompanied by Instructions that offerors should carefully read. Effective March 1, 1998, only this revised Form A-6 will be accepted by DOTAX and IRS.

Out-of-state offerors should mail their application to DOTAX's Oahu District Office.

Effective 12/1/97 tax clearance certificates are valid for a **six-month** (not 180 day) period beginning on the later dated DOTAX or IRS approval stamp. For example, a 12/15/97 certificate is valid through 6/15/97.

The tax clearance submitted with the sealed offer must be valid on the solicitation's legal ad date or any date thereafter up to the offer due date. A valid tax clearance received with the offer will remain valid for the contract award.

For the purpose of this solicitation the State Procurement Office will accept the attached completed SPO Form TEMP B, "Certification for Tax Clearance" in place of the DOTAX Form A-6 (Rev.1998), if offeror is unable to obtain a tax clearance certificate in time for submittal with the sealed offer. However, the successful offeror is required to submit a tax clearance certificate prior to award.

NOTE: The above tax clearance requirement is in addition to the existing requirement for final payment. Refer to the special provisions on INVOICING below for information on the tax clearance requirement for final payment.

Offer Guaranty. An offer guaranty is not required for this solicitation.

Insurance. Offeror shall provide the requested insurance information on the Offer Form page, where indicated.

References. Each offeror shall provide the names and addresses of companies or government agencies for whom offeror has provided similar services and who can attest to the reliability of the offeror's service and/or personnel. The State reserves the right to contact the references to inquire about offeror's past work performance.

STATUTORY REQUIREMENTS OF SECTION 103-55, HAWAII REVISED STATUTES (HRS)

Refer to Section 2.8 of the General Terms and Conditions. Offeror shall complete and submit the attached wage certification by which the offeror certifies that the services required will be performed pursuant to Section 103-55, HRS.

Offerors are advised that Section 103-55, HRS, provides that the services to be performed shall be performed by employees paid at wages not less than wages paid to public officers and employees for similar work. Offerors are further advised that in the event of an increase in wages for public employees performing similar work during the period of the contract, Contractor shall be obliged to provide wages not less than those increased wages.

Contractor shall be further obliged to notify his employees performing work under this contract of the provisions of Section 103-55, HRS, and of the current wage rates for public employees performing similar work. The Contractor may meet this obligation by posting a notice to this effect in the Contractor's place of business in an area accessible to all employees, or the Contractor may include such notice with each paycheck or pay envelope furnished to the employee.

To assist the offeror in determining whether the work of his/her employees are to perform under this contract is similar to that performed by public employees, attached are class specifications for State positions that perform refuse collection service duties. The current basic hourly wages paid to these State positions are:

<u>Class</u>	<u>Hourly Rate</u>
Public Facilities Refuse Collector (BC04)	\$ 10.38
Refuse Collector (BC05)	10.81
Truck Driver - Laborer (BC05)	10.81
Refuse Collector (BC06)	11.24
Truck Driver (BC06)	11.24
Heavy Truck Driver (BC07)	11.71
Refuse Collection Crew Leader (BC09)	12.94

Accordingly, offeror should consider the aforementioned wage rates when preparing his/her quote.

CONTRACT ADJUSTMENT PURSUANT TO SECTION 103-55, HRS

At the release of this bid solicitation, only the current wages of State employees performing similar work are known. Should their wages increase during any period of the contract, including supplements, the Contractor may request for increase in contract price. The increase requested must result in increase in wages to the Contractor's employees performing the work herein, including any increase in costs for benefits required by law that are automatically increased as a result of increased wages, such as federal old age benefits, workers' compensation, temporary disability insurance, unemployment insurance, and prepaid public health insurance.

Contractor's request for increase must meet the following criteria:

1. At the time of a request, Contractor must provide documentation to show that he is in compliance with Section 103-55, HRS, i.e., its employees are being paid no less than the known wage of the State position listed herein. Documentation shall include the employees' payroll records and a statement that the employees are being utilized for this contract.
2. At the time of bidding, the Contractor must have specified on the appropriate Offer Form page, the percentage of the bid price per cubic yard/load that represents labor costs. If the Contractor fails to specify the percentage, the Contractor's request for increase will not be considered.
3. Request for increase must be made in writing to the State Procurement Office on a timely basis.
 - a. Request for increase for the initial contract period must be made as soon as practicable after the State wage agreements are made public. Approved request will be retroactive to the date of increase for the State employee.
 - b. Request for increase for a supplemental period of the contract must be made prior to the start of the supplement. Contractor should call the Purchasing Specialist named on the cover of this Invitation for Bids to obtain the current wage information.

If the Contractor meets the above criteria in its request for contract price increase, the following formula shall be used to calculate the increase:

First Increase: $WI = (XY) (Z) + FB$

Subsequent Increase(s): $WI = AZ + FB$

whereby, WI = Dollar amount increase in bid price per cubic yard/load due to increase in State wages;

X = Original contract price per cubic yard/load;

Y = Percentage of bid price cubic yard/load designated by Contractor as representing labor costs;

Z = Percentage increase in wages paid to State employees performing similar work;

FB = Additional costs for those benefits required by statute, directly related to the allowed increase in wages paid to Contractor's employees;

A = That portion of the contract amount representing wages (this amount is X times Y plus any increase(s) in contract price per cubic yard/load resulting from increase in State wages).

The increase shall be reflected in either a contract modification or in the supplemental agreement issued for any extended period of the initial contract.

CONTRACT PRICE ADJUSTMENT DUE TO REFUSE DISPOSAL RATE CHANGES

Subsequent to bid opening, when the City and County of Honolulu (C&C) has a disposal rate change, the following formula will be used to calculate the increase per cubic yard/load:

$$[(N - O) \div 2000] \times W \times C$$

whereby, N = New C&C disposal unit charge per ton
O = Old C&C disposal unit charge per ton
2000 = Pounds per ton
W = Base weight per cubic yard of refuse (125 lbs. per container cubic yard and 400 lbs. per compactor cu. yd. will be used)
C = Cubic yards per container/compactor

The increase shall be reflected in either a contract modification or in the supplemental agreement issued for any extended period of the initial contract.

RECYCLING FUND SURCHARGE

Offerors shall include the C&C recycling fund surcharge in their bid prices. No increases will be allowed to the Contractor based on the 6% surcharge on the current C&C refuse disposal rate of \$55.25/ton. If the C&C does increase the recycling fund surcharge, the formula to calculate the increase per cubic yard/load:

$$(R \times I) \div 2000 \times W \times C$$

whereby, R = C&C refuse disposal rate per ton
I = % increase to C&C recycling surcharge
2000 = Pounds per ton
W = Pounds per cubic yard refuse (125 lbs. per container cubic yard and 400 lbs. per compactor cubic yard will be used)
C = Cubic yards per container/compactor

SOLID WASTE MANAGEMENT SURCHARGE

Offerors shall include the State's solid waste management surcharge in their bid price. The current surcharge is 35 cents per ton of disposed solid waste. If there is a future increase for this surcharge, the adjustment per cubic yard shall be based on the following formula:

$$(I \div 2000) \times W \times C$$

whereby, I = Amount of the State's solid waste management surcharge increase per ton
2000 = Pounds per ton
W = Pounds per cubic yard refuse (125 lbs. per cubic yard and 400 lbs. per compactor cubic yard will be used)
C = Cubic yards per container/compactor

PRICE ADJUSTMENT BY THE STATE

Change in Number of Pickups or Containers. The total contract price is based on the maximum amount of refuse to be generated per contract period. The State reserves the right to increase or decrease the number of pickups and/or containers. Such increases and decreases shall be made only upon written authorization/contract modification of the Contract Administrator. If an increase or decrease in refuse is generated as to necessitate additional or less pickups or containers, the bid price per cubic yard/load shall be used to compute the adjusted cost.

Emergency Calls. Contractor agrees to make unscheduled collections, when requested. Such "emergency calls" shall be completed within twenty-four (24) hours after notification. Bid price per cubic yard/load will be used as the basis for charges for "emergency calls", provided such charges are modified by mutual agreement at the time of the emergency to account for additional expense, if any, incident to making a special pickup.

METHOD OF AWARD

Award, if made, will be to the responsible and responsive offeror submitting the lowest evaluated total bid price (the sum of Years 1, 2, 3, and 4); however, award shall be made for Year 1 only. Years 2, 3, and 4 are extension periods based on mutual agreement between the State and Contractor.

Prior to awarding a contract, the State will require certification of the following insurance coverages:

Workers' Compensation
Temporary Disability
Unemployment Insurance
Prepaid Health Care

CONTRACT EXECUTION

Successful offeror receiving award shall be required to enter into a formal written contract. No performance or payment bond is required for this contract.

No work is to be undertaken by the Contractor prior to the contract commencement date. The State of Hawaii is not liable for any work, contract, costs, expenses, loss of profits, or any damages whatsoever incurred by the Contractor prior to the starting date.

If the option to extend for each additional twelve-month period is mutually agreed upon, the Contractor shall be required to execute a supplement to the contract for the additional period.

LIABILITY INSURANCE

Contractor shall maintain insurance acceptable to the State in full force and effect throughout the term of this contract. The policy or policies of insurance maintained by the Contractor shall provide the following limit(s) and coverage(s):

<u>Coverage</u>	<u>Limits</u>
Commercial General Liability (occurrence form)	\$300,000 combined single limit per occurrence for bodily injury and property damage
Comprehensive Automobile Liability	BI: \$100,000 per occurrence PD: \$ 50,000 per occurrence

Each insurance policy required by this contract shall contain the following clauses:

1. "This insurance shall not be canceled, limited in scope of coverage or non-renewed until after 30 days written notice has been given to the State of Hawaii, Department of Accounting and General Services, State Procurement Office, P. O. Box 119, Honolulu, Hawaii 96810-0119."

2. "The State of Hawaii is added as an additional insured as respects to operations performed for the State of Hawaii."
3. "It is agreed that any insurance maintained by the State of Hawaii will apply in excess of, and not contribute with, insurance provided by this policy."

The Contractor shall maintain the minimum insurance required in full compliance with the Hawaii Insurance Code throughout the entire term of the contract, including supplemental agreements. The policy or policies of insurance maintained by the Contractor shall provide the limits and coverages specified herein.

The Contractor agrees to deposit with the State of Hawaii, on or before the effective date of this contract, certificate(s) of insurance necessary to satisfy the State that the insurance provisions of this contract have been complied with and to keep such insurance in effect and the certificate(s) therefor on deposit with the State during the entire term of this contract. Upon request by the State, Contractor shall furnish a copy of the policy or policies.

Failure of the Contractor to provide and keep in force such insurance shall be regarded as material default under this contract, entitling the State to exercise any or all of the remedies provided in this contract for a default of the Contractor.

The procuring of such required policy or policies of insurance shall not be construed to limit Contractor's liability hereunder nor to fulfill the indemnification provisions and requirements of this contract. Notwithstanding said policy or policies of insurance, Contractor shall be obliged for the full and total amount of any damage, injury, or loss caused by negligence or neglect connected with this contract.

INVOICING

Contractor shall submit a monthly invoice, original and three (3) copies, for services rendered to:

Oahu Community Correctional Center
2199 Kamehameha Highway
Honolulu, HI 96819

Halawa Correctional Facility
99-902 Moanalua Rd.
Aiea, HI 96701

Attn: Facility Operations Administrator Attn: Operation Superintendent

All invoices shall reference the contract number assigned to the contract.

Charges for extra pickups, extra bins, etc., not specified herein or not added to the contract by contract modification, shall be submitted on a separate invoice and will be paid by purchase order. In particular, charges for emergency services shall be invoiced in this manner.

A tax clearance certificate must accompany the invoice for final payment and shall be an original or certified copy, not over two-months old.

PAYMENT

Section 103-10, HRS, provides that the State shall have thirty (30) calendar days after receipt of invoice or performance of service to make payment. For this reason, the State will reject any offer submitted with a condition requiring payment within a shorter period. Further, the State will reject any offer submitted with a condition requiring interest payments greater than that allowed by Section 103-10, HRS, as amended.

The State will not recognize any requirement established by the Contractor and communicated to the State after award of the contract which requires payment within a shorter period or interest payments not in conformance with statute.

RE-EXECUTION OF WORK

The Contractor shall re-execute any work that fails to conform to contract requirements and shall immediately remedy any defect due to faulty workmanship by the Contractor.

REMOVAL OF CONTRACTOR'S EMPLOYEES

Contractor agrees to remove any of its employees from services rendered to the State, upon request in writing by the contracting officer.

LIQUIDATED DAMAGES

Refer to Section 6.12 of the General Terms and Conditions. Liquidated damages is fixed at the sum of ONE HUNDRED DOLLARS (\$100.00) for each and every calendar day the Contractor delays in the completion of any item of this contract after the required date of said completion.

RIGHTS AND REMEDIES FOR DEFAULT

In the event the Contractor fails, refuses, or neglects to perform the services in accordance with the requirement of these Special Provisions, the Specifications, and General Terms and Conditions herein, in addition to the recourse stated in Section 6 of the General Terms and Conditions, the State reserves the right to purchase in the open market, a corresponding quantity of the services specified herein and to deduct from any moneys due or that may thereafter become due the Contractor, the difference between the price named in the contract and the actual cost thereof to the State. In case any money due the Contractor is insufficient for said purpose, the Contractor shall pay the difference upon demand by the State. The State may utilize all other remedies provided by law.

ADDITIONS AND EXCEPTIONS TO THE GENERAL TERMS AND CONDITIONS

Approvals. Any agreement arising out of this offer is subject to the approval of the Department of the Attorney General as to form, and to all further approvals, including the approval of the Governor, required by statute, regulation, rule, order, or other directive.

Cancellation of Solicitations and Rejection of Offers. The solicitation may be cancelled or the offers may be rejected, in whole or in part, when in the best interest of the purchasing agency, as provided in Sections 3-122-95 through 3-122-97, Hawaii Administrative Rules.

Provisions from the General Terms and Conditions Not Applicable. Sections 2.11 and 2.14 of the General Terms and Conditions which apply specifically to the Request for Proposals method of source selection are not applicable to Invitation for Bids. Also Sections 2.10 and 2.13 which apply specifically to the Invitation for Bids method of source selection are not applicable to Requests for Proposals.

Records Retention. The Contractor and any subcontractors shall maintain the books and records that relate to the Agreement and any cost or pricing data for three (3) years from the date of final payment under the Agreement.

Preparation of Offer. General Terms and Conditions Section 2.5, paragraph four, is rescinded and replaced with the following:

"An offeror may submit only one offer in response to a solicitation. If an offeror submits more than one offer in response to a solicitation, then all such offers shall be rejected. Similarly, an offeror may submit only one offer for each line item (if any) of a solicitation. If an offeror submits more than one offer per line item, then all offers for that line item shall be rejected."

Preference for Hawaii Products. General Terms and Conditions Section 3.1(B), paragraphs one and two only are rescinded and replaced with the following: "A purchasing agency shall review all specifications in a bid or proposal for purchase from the Hawaii products list where these products are available; provided that the products: Meet the minimum specifications and the selling price f.o.b. jobsite; unloaded, including applicable general excise tax and use tax, does not exceed the lowest delivered price in Hawaii f.o.b. jobsite; and unloaded, including applicable general excise tax and use tax, does not exceed the lowest delivered price of a similar non-Hawaii product by more than: three per cent where class I Hawaii products are involved; five per cent where class II Hawaii products are involved; or ten per cent where class III Hawaii products are involved."

All persons submitting bids or proposals to claim Hawaii products preference shall designate in their bids which individual product and its price is to be supplied as a Hawaii product.

Where a bid or proposal contains both Hawaii and non-Hawaii products, then for the purpose of selecting the lowest bid or purchase price only, the price bid or offered for a Hawaii product item shall be decreased by subtracting therefrom: three per cent, five per cent, or ten per cent for the class I, class II, or class III Hawaii product items bid or offered, respectively. The lowest total bid or proposal, taking the preference into consideration, shall be awarded the contract unless the bid or offer provides for additional award criteria. The contract amount of any contract awarded, however, shall be the amount of the bid or price offered, exclusive of the preferences."

Printing Preference. General Terms and Conditions Section 3.1(C), paragraphs one and two are rescinded and replaced with the following: "All bids or proposals submitted for a printing, binding, or stationery contract in which all work will be performed in-state, including all preparatory work, presswork, bindery work, and any other production-related work shall received a fifteen per cent preference for purposes of bid or proposal evaluation."

Where bids or proposals are for work performed in-state and out-of-state, then for the purpose of selecting the lowest bid or evaluating proposals submitted only, the amount bid or proposed for work performed out-of-state shall be increased by fifteen per cent. The lowest total offer, taking the preference into consideration, shall be awarded the contract unless the solicitation provides for additional award criteria. The contract amount awarded, however, shall be the amount of the price offered, exclusive of the preference."

Bond Forms. The bond forms, Exhibits B through H, are replaced by the forms issued by the Procurement Policy Board Directive No. 1997-01, dated November 12, 1997, included herein by reference and made a part hereof. Copies of the bond forms are available at the State Procurement Office, 1151 Punchbowl Street, Room 416, Honolulu, Hawaii 96813.